



# Bank Notes

## A Newsletter for Michigan Lenders

June 23, 2008

Issue 150

### **The SBA Lender Advantage Loan Initiative for Small and Rural Lenders**

The U.S. Small Business Administration knows flexible small business loans are an important part of a lender's portfolio. Now you can maximize this potential by participating in a new initiative designed specifically to make it easier for small and rural lenders to participate in SBA's 7(a) guaranteed loan program. The SBA Lender Advantage Loan initiative is now available for Michigan lenders and it's great news for you and your customers.

Smaller SBA volume lenders (those that have processed an average of 20 or fewer SBA loans annually over the last three fiscal years) that are in good standing may use this program. Non-SBA lenders must be approved by SBA to participate in the 7(a) loan guaranty program before they may participate in this initiative.

#### **How lenders benefit**

This initiative features a 7(a) product designed exclusively for new or small volume SBA lenders submitting loan requests through a non-delegated lender process. Its features include:

- A shorter, simplified application for loans of \$350,000 or less;
- An expedited SBA loan processing time of 3-5 days for routine loans;
- Only limited, key financial documentation is required;
- An SBA guaranty of 85 percent is available for loans of \$150,000 or less; 75 percent if the loan is larger;
- Loan applications may be faxed or e-mailed to SBA;
- A simplified loan eligibility questionnaire is provided to help small or occasional SBA lenders understand SBA's eligibility criteria;
- The guaranteed portion of an SBA loan can be sold to an investor to maintain your liquidity and enhance your yield;
- Fillable PDF loan application which, when signed, may be faxed or e-mailed to SBA (Signed original must be maintained by lender). Forms are available at: <http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html>;
- Access to eligibility assistance through SBA's Sacramento Center help desk;
- Training on SBA loans is available from the Michigan District Office.

#### **How does a lender participate in this initiative?**

- A lender already approved to participate in the 7(a) program and in good standing with SBA is eligible to submit applications to the Loan Guaranty Processing Center under the Lender Advantage Loan initiative.
- Lenders that do not have authority to participate in the 7(a) program must contact the Michigan District Office to obtain an approved Loan Guaranty Agreement before they can participate.
- For questions about the initiative, please contact Al Cook at 313-226-6075, x221 or at [allen.cook@sba.gov](mailto:allen.cook@sba.gov).

#### **ReadyTalk Training**

**The Michigan District Office will conduct training on the SBA Lender Advantage Loan Initiative on Wednesday, June 25 at 2:00 p.m., Thursday, June 26 at 10:00 a.m., Wednesday July 2 at 10:00 a.m., and Wednesday July 9, at 2:00 p.m. via ReadyTalk. This is an Internet and audio presentation conference system.**

From your computer:

1. Logon to [www.readytalk.com](http://www.readytalk.com).
2. Login as a participant using the access code 3051501.
4. Enter your name, email address, and company name as requested.

From your telephone:

1. Dial 866.740.1260.
2. Enter the Access Code 3051501 & press #.
3. Say hello!

If this is your first ReadyTalk Conference, we recommend that you test your browser compatibility and network connection prior to the conference by logging onto the ReadyTalk site and hit the "Browser Check" button under the login.

There are three documents attached to this Bank Notes. It is recommended that you download and have them available for this training since they are the application materials for this initiative.